

Message Text

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PAGE 01 STATE 207433
ORIGIN EB-08

INFO OCT-01 EUR-12 EA-12 ISO-00 CAB-05 CIAE-00 COME-00
DODE-00 DOTE-00 INR-10 NSAE-00 FAA-00 L-03 /051 R

DRAFTED BY EB/TRA:JRATWOOD:BD
APPROVED BY EB/TRA:JRATWOOD
CAB:JKISER

-----108213 161753Z /53

R 161615Z AUG 78
FM SECSTATE WASHDC
TO AMEMBASSY LONDON
INFO AMCONSUL HONG KONG

UNCLAS STATE 207433

E.O. 11652: N/A

TAGS: EAIR, UK, HK

SUBJECT: CIVAIR: HONG KONG CURRENCY PROBLEM

REF: LONDON 19977

1. TO REPEAT EARLIER POINTS, WE DO NOT BELIEVE THAT THE PROBLEM BROWN BELIEVES TO EXIST DOES IN FACT EXIST. A TRAVELER PURCHASING A TICKET IN HONG KONG PAYS THE SAME REAL VALUE FOR THE TICKET, REGARDLESS OF WHETHER THE TICKET IS PURCHASED IN HONG KONG DOLLARS OR IN U.S. DOLLARS. THIS IS BECAUSE THE U.S. AIRLINES' TARIFFS ESSENTIALLY QUOTE THE TARIFF PRICE IN HONG KONG DOLLARS BUT ALLOW TICKETS TO BE PURCHASED IN U.S. DOLLARS AT THE CURRENT MARKET EXCHANGE RATES (NOT IATA RATE).

2. IN LIGHT OF ABOVE, WE CONTINUE TO BELIEVE THAT THERE IS NO PROBLEM AND THAT THE U.S. AIRLINES ARE OPERATING UNDER TARIFFS WHICH ESSENTIALLY ADOPT BROWN'S
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SOLUTION IN PARAGRAPH 2 OF REFTEL. INDEED, THE TARIFFS ON FILE AVOID ONE PROBLEM OF BROWN'S SUGGESTION, IN THAT EXACT PARITY IN THE REAL VALUE OF FARES IS RETAINED EVEN IF THERE ARE FURTHER ADJUSTMENTS IN THE EXCHANGE RATE

BETWEEN THE U.S. AND HONG KONG DOLLARS.

3. EMBASSY REQUESTED TO PASS THESE COMMENTS TO BROWN. CHRISTOPHER

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, DOLLAR, FOREIGN EXCHANGE RATES, AIR FARES
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Draft Date: 16 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
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Disposition Approved on Date:
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Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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ISecure: 1
Legacy Key: link1978/newtext/t19780858/aaaabwbt.tel
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Litigation History:
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Message ID: baef8662-c288-dd11-92da-001cc4696bcc
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Original Classification: UNCLASSIFIED
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TAGS: EAIR, EFIN, UK, HK, US
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